

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-13 SSO-00 NSCE-00 USIE-00 INRE-00
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O P 111456Z DEC 76

FM USMISSION OECD PARIS

TO SECSTATE WASH DC IMMEDIATE 4658

INFO USMISSION NATO PRIORITY

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E.O. 11652: N/A

TAGS: AORG, OECD, NATO

SUBJECT: COORDINATED ORGANIZATIONS SALARY ADJUSTMENT

REFS: A) STATE 299701 B) USOECD PARIS 36376

C) STATE 296621 D) USOECD PARIS 36224 E) USOECD PARIS

35674

1. SUMMARY. FURTHER HEADS OF DEL EXCHANGE OF VIEWS ON
SALARY ADJUSTMENT HAS DEVELOPED NEW APPROACH TO DEALING
WITH ARTICLE 6 CEILING QUESTION. DUTCH REMAIN FIRM ON
RETENTION OF LAST FOUR WORDS OF ARTICLE 5 B. SECGEN
CALLED ATTENTION TO PROBLEM OF INCLUSION OF PUBLIC
SECTOR IN THE SALARY SURVEY FOR B AND C GRADES. END
SUMMARY

2. MEETING BEGAN WITH SECGEN CALLING ATTENTION TO
ADDITIONAL PROBLEM MENTIONED IN HIS LETTER (REF E) TO
HEADS OF DEL, NAMELY, INCLUSION OF PUBLIC SECTOR IN THE
SURVEY FOR B AND C GRADES. (NOTE: OUR STAFF
ASSOCIATION CONTACTS HAVE SAID THAT THIS IS A PARTICULARLY
SORE POINT FOR B AND C GRADES AND REASON FOR THEIR
VOTING SO OVERWHELMINGLY FOR STRIKE - REF D.) OECD
PERSONNEL HEAD THEN EXPLAINED THAT IT IS DIFFICULT TO
OBTAIN COMPLETE DATA ON REMUNERATION IN THE PUBLIC
SECTOR - SUCH AS BONUS PAYMENTS FOR LOWER WAGE EMPLOYEES.
SECGEN, THEREFORE, PROPOSED "TRENDS" RATHER THAN LEVELS

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OF REMUNERATION IN PUBLIC SECTOR BE CONSIDERED FOR

PURPOSES OF SURVEY.

3. SUBSEQUENTLY, DISCUSSION AMONG HEADS OF DEL REVOLVED AROUND THREE ISSUES - THE ARTICLE 6 CEILING, ARTICLE 5 B'S LAST FOUR WORDS, AND THE B AND C GRADE ISSUE. ON ARTICLE 6, UK, GERMANY, BELGIUM AND NETHERLANDS MADE IT CLEAR THEY CANNOT ACCEPT ANY CHANGE IN CEILING CONCEPT. ITALY ON OTHER HAND CAME OUT STRONGLY FOR FRENCH AMENDMENT TO ARTICLE 6.

4. U.S. REP MADE POINTS IN PARA 2 REF A WITH EXCEPTION OF LAST SENTENCE AUTHORIZING REFERENCE TO POSSIBLE COUNCIL ACTION IN MINUTES OF MEETING. FRENCH REP REFERRING TO U.S. STATEMENT POINTED OUT THAT OTHER "EXTRAORDINARY CIRCUMSTANCES" COULD INCLUDE THOSE WHICH WERE THE REASON FOR HIS PROPOSED AMENDMENT.

5. DANISH REP STATED THAT HE HAD AUTHORIZATION TO APPROVE THE FRENCH AMENDMENT IF IT WAS CLEARLY UNDERSTOOD THAT IT WOULD NOT UNDERMINE CEILING CONCEPT. HE OBSERVED THAT FROM DISCUSSION IN HEADS OF DEL IT WAS APPARENT THAT THERE WAS GENERAL AGREEMENT TO RETAIN THE CEILING. HOWEVER, HE CONTINUED, DISCUSSION ALSO REVEALED APPARENT CONSENSUS THAT IN EXTRAORDINARY CIRCUMSTANCES COUNCIL MIGHT RECONSIDER THE MATTER. HE SUGGESTED THAT THERE WERE THREE WAYS TO APPROACH THE MATTER PROCEDURALLY. FIRST, AN AMENDMENT ALONG THE LINES OF THE FRENCH PROPOSAL. SECOND, AN UNDERSTANDING THAT THE COUNCIL IS SOVEREIGN AND CAN DECIDE TO REEXAMINE THE MATTER AND THEREFORE NO SPECIAL ACTION NEED BE TAKEN NOW. THIRD, COUNCIL'S RECORDING IN ITS MINUTES THE FACT THAT COUNCIL COULD IN EXTRAORDINARY CIRCUMSTANCES SUCH AS THOSE CITED BY U.S. REP OR OTHERS REEXAMINE THE MATTER. DANISH REP FELT SUCH AN ENTRY IN THE MINUTES MIGHT BE HELPFUL IN ENABLING SECGEN TO COMMUNICATE TO STAFF FACT THAT COUNCIL WAS AWARE OF THEIR CONCERNS AND WOULD BE PREPARED TO IN FACT REEXAMINE THE SITUATION IF INDEED EXTRAORDINARY CIRCUMSTANCES SO WARRANTED. ACCORDINGLY, DANISH PROPOSED THAT GOVERNMENTS EXAMINE THIRD POSSIBILITY CLOSELY AS HE THOUGHT IT SOLUTION MOST LIKELY TO MEET CONCERNS OF ALL.

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6. THIS PROPOSAL SEEMED TO GATHER SUPPORT FROM A NUMBER OF DELEGATIONS. U.S. REP STATED THAT WHILE SUCH ENTRY MAY NOT BE NECESSARY IF IN FACT IT WOULD HELP IN THE PRESENT STRAINED CIRCUMSTANCE U.S. COULD GO ALONG (PER REF A). SECGEN CONCLUDED THAT HE WOULD LAY OUT OPTIONS (ON THIS POINT) IN WRITING FOR HEADS OF DEL MEETING ON DECEMBER 14.

7. RE ARTICLE 5 B, U.S., GERMAN, BELGIAN, UK, IRELAND,

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AND DENMARK INDICATED THEY COULD DROP LAST FOUR WORDS
BUT NETHERLANDS REP MADE LONG, MUDDY DEFENSE OF INCLU-
SION OF LAST 4 WORDS. BELGIAN AND GERMAN REPS STATED
THEIR INSTRUCTIONS WERE CONTINGENT UPON CONSENSUS AND,
THEREFORE, DUTCH BACKING OFF THIS POSITION. FRENCH REP
MADE CLEAR HE COULD APPROVE 133RD REPORT ONLY IF THESE
FOUR WORDS WERE ELIMINATED.

8. RE ARTICLES 9 AND 10, U.S. REP STATED THAT ALTHOUGH
WE WERE WITHOUT INSTRUCTIONS ON THIS POINT IT SEEMED
DIFFICULT TO COMPARE ACTUAL LEVEL OF REMUNERATION IN
OTHER CATEGORIES WITH "TRENDS" IN PUBLIC SECTOR. SUCH
DIFFERENTIATION WOULD BE SOURCE OF CONFUSION IN MAKING
FINAL CALCULATION, A POINT THAT WAS STRONGLY SUPPORTED
BY AUSTRALIAN REP. THE U.S. REP ASKED FOR CLARIFICATION
AS TO SERIOUSNESS OF TECHNICAL PROBLEM IN OBTAINING
INFORMATION, POINTING OUT THAT PERHAPS INTERPRETIVE
NOTE SHOULD BE PLACED ON COUNCIL MINUTES TO EFFECT THAT
"REMUNERATION" INCLUDED ALL ELEMENTS OF REMUNERATION -
WHICH MIGHT REASSURE STAFF THAT ALL THE NECESSARY DATA

FOR HONEST ASSESSMENT WOULD BE OBTAINED. THIS ISSUE
WAS LEFT OPEN FOR FURTHER EXAMINATION BY SECRETARIAT.

9. IN SUM, OUR BEST GUESS IS THAT CONSENSUS MAY BE
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EVOLVING TOWARD SOMETHING LIKE DANISH PROPOSAL ON
CEILING, WITH DUTCH SURRENDER ON ARTICLE 5 B PROBABLE.
SOLUTION ON B AND C GRADES MIGHT ALSO EVOLVE TOWARD
NOTE IN COUNCIL MINUTES WHICH MIGHT GO LONG WAY TO
CALM STAFF AT OECD. (NOTE: PRIOR TO MEETING WELL
ATTENDED SILENT DEMONSTRATION OF STAFF WAITED IN COURT-
YARD AS HEADS OF DEL ENTERED CHATEAU. STAFF ASSOCIATION
HAS CALLED ANOTHER MEETING OF STAFF ON DECEMBER 13 TO
ASSESS SITUATION.)
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